



DEPARTMENT OF HEALTH

**VERMONT WIC PROGRAM
SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR
WOMEN, INFANTS AND CHILDREN (WIC)
RETAIL VENDOR AGREEMENT**

This agreement is made by and between _____ D/B/A _____ (hereinafter referred to as "Vendor") and the Vermont WIC Program (hereinafter referred to as "State Agency") that administers the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) of the United States Department of Agriculture, Food and Nutrition Service, and concerns the store's or entity's authorization to operate as a WIC Vendor. By signature below, the Vendor and the State Agency agree to the general conditions and terms contained in this Agreement, and in accordance with Federal regulations (hereinafter referred to as "7 CFR Part 246") that govern the WIC Program. Vendor must adhere to all provisions of this agreement throughout the agreement period. This agreement is in effect for the period stated below only, and an application must be submitted for consideration upon expiration.

Appendix A herein attached lists all violations and sanctions and contains the policies for notices and appeals.

Appendix B herein attached lists vendor selection criteria.

Appendix C herein attached lists any and all store locations authorized by this agreement.

Agreement period is _____ to _____.

Signature of State Agency Representative

Date

Signature of Owner or Manager Authorized to Execute Agreement

Date

Print Name of Owner or Manager Authorized to Execute Agreement

Street Address of Vendor Corporate Headquarters

Mailing Address (if different than above)

Town/City, State, Zip Code

VT WIC Retail Vendor Agreement 2015
Initials _____

The Vendor and the State Agency mutually agree to the following provisions:

1. GENERAL CONDITIONS

1. Neither the Vendor nor the State Agency has an obligation to renew the Vendor Agreement.
2. The State Agency retains the right to disqualify a Vendor for WIC Program abuse, or terminate the agreement if the State Agency determines that the Vendor provided false information in connection with the Vendor application or authorization agreement.
3. Either the Vendor or the State Agency may terminate the Vendor Agreement for cause after providing a 15-day written notice.
4. This Agreement is non-transferable.
5. This Agreement does not constitute a license or a property interest.
6. This agreement is governed by Vermont law.
7. Both parties shall adhere to all applicable Federal, State, and local requirements, including those that may be imposed subsequent to this Agreement.
8. The Vendor is liable to prosecution under applicable Federal, State, and local laws, if fraud or abuse is committed against the WIC Program. Those who have willfully misapplied, stolen, or fraudulently obtained program funds will be subject to a fine of not more than \$25,000 or imprisonment for not more than five years or both, if the value of the funds is \$100 or more. If the value is less than \$100, the penalties are a fine of not more than \$1,000 or imprisonment for not more than one year or both.
9. The vendor is accountable for its owners, officers, managers, agents, and employees who commit vendor violations.
10. The State Agency will terminate the Vendor Agreement if the State Agency determines a conflict of interest exists between the Vendor and the State Agency or its local agencies.
11. The State Agency may reassess the Vendor at any time during the Agreement period using the current selection criteria. The vendor must comply with the vendor selection criteria throughout the agreement period. The State Agency will terminate the Agreement if the Vendor fails to meet the current selection criteria.
12. The Vendor shall be disqualified from participation in the WIC Program if the Vendor is disqualified from the 3SquaresVT/Supplemental Nutrition Assistance Program (SNAP). The WIC Program disqualification shall be for the same length of time as the 3SquaresVT/ SNAP disqualification and shall not be subject to administrative or judicial review under the WIC Program.
13. The Vendor shall be disqualified from participation in the WIC Program if the Vendor has been assessed a civil money penalty in lieu of disqualification from the 3SquaresVT/SNAP for a length of time equal to the period which the Vendor would otherwise have been disqualified from the 3SquaresVT/SNAP unless the store is needed to ensure adequate store access for WIC families.
14. If disqualified from participation in another program administered by the U.S. Department of Agriculture Food and Nutrition Service or the State of Vermont, the Vendor shall be disqualified from participation in the WIC Program for the same length of time as the other program disqualification.
15. The Vendor may be disqualified from participation in the 3SquaresVT/SNAP if disqualified from the WIC Program for specific program violations as cited in Federal regulations governing the 3SquaresVT/SNAP (7CFR Part 278). The length of 3SquaresVT/SNAP disqualification will be for

the same length of time as the WIC Program disqualification and will not be subject to administrative or judicial review under the 3SquaresVT/SNAP.

16. The State Agency may disqualify a Vendor that has been issued a civil money penalty under the 3SquaresVT/SNAP, pursuant to 7 CFR § 246.12 of the WIC program regulations.
17. A previously disqualified vendor must reapply under selection criteria in effect at reauthorization.
18. The State retains the right to deny or adjust payment to the Vendor for improperly redeemed benefits or to demand refunds for payments already made on improperly redeemed benefits.
19. If a claim is assessed against the Vendor for previously paid benefits, the State Agency retains the right to deduct this amount from subsequent payment.
20. The Vendor has the right to appeal a State Agency decision pertaining to denial of application to participate, vendor disqualification, or any other adverse action that affects participation during the Agreement performance period.
21. The following State Agency decisions are not subject to appeal.
 - a. The State Agency's determination of whether a vendor had an effective policy and program in effect to prevent trafficking and that the ownership of the vendor was not aware, did not approve of, and was not involved in the violation;
 - b. The validity or appropriateness of the State Agency's vendor selection criteria ;
 - c. The validity or appropriateness of the State Agency's participant access criteria and the State Agency's participant access determinations;
 - d. WIC disqualification based on a 3SquaresVT/Supplemental Nutrition Assistance Program disqualification;
 - e. Expiration of the vendor agreement;
 - f. Disputes regarding food instrument payments and claims;
 - g. The State agency's determination to include or exclude an infant formula manufacturer, wholesaler, distributor, or retailer from the list required pursuant to § 246.12(g)(11);
 - h. The validity or appropriateness of the State agency's prohibition of incentive items and the State agency's denial of an above-50-percent vendor's request to provide an incentive item to customers pursuant to § 246.12(h)(8); and
 - i. The State agency's determination whether to notify a vendor in writing when an investigation reveals an initial violation for which a pattern of violations must be established in order to impose a sanction, pursuant to § 246.12(l)(3).

2. THE VENDOR AGREES TO:

Business operations

1. Maintain adequate stock of WIC approved foods to meet the guidelines described in Vendor Handbook. The vendor shall have in stock at all times all minimum stock. (Note: The Department may issue revisions to the mandatory Minimum Stock Requirements as determined necessary.)

2. Purchase infant formula by selecting from a list of wholesalers, distributors, and retailers provided by the State Agency and formula manufacturers registered with the Food and Drug Administration (FDA), as stated in the WIC Vendor Handbook. The vendor may only purchase formula from names on this list.
3. Redeem WIC food benefits in accordance with the procedures as set forth in the most recent publication of the WIC Program Vendor Handbook and the WIC eWIC Manual including any revisions or supplements issued by the State Agency, and as set forth below:
 - a) Vendor must accept eWIC only from participants, parents, caregivers, or proxies ;
 - b) Vendor may redeem eWIC benefits only during the specified time period;
 - c) Vendor must not give nonfoods, unauthorized foods, cash, or credit for eWIC;
 - d) Participant must enter PIN in presence of cashier;
 - e) Allow only those food items specifically listed on the participant's eWIC shopping list;
 - a. Never substitute one WIC approved food for another (for example, evaporated milk for infant formula);
 - b. Never substitute a non-WIC food item for a WIC approved food item;
 - f) WIC participants must receive the food item that corresponds specifically to the UPC code scanned by the vendor during the transaction;
 - g) Vendor must scan (or manually enter) the actual UPC code that is affixed to the item actually being purchased by the WIC participant;
 - h) Vendor is prohibited from scanning any UPC code that is not affixed to the actual item being purchased by the WIC participant, or any UPC code as a substitute, replacement or otherwise not actually affixed to the actual item being purchased by the WIC participant;
 - i) Vendor must assure that the price affixed to the scanned UPC code in the point of sale device is not greater than the price displayed on the package, container, shelf or other signage in the store for the purchased item. This may be verified by a Department representative scanning the actual UPC code affixed to a WIC approved item and comparing that price to the price marked on the package, container, shelf or other signage of that same item;
 - j) Vendor is responsible for updating price changes in the point of sale device including, but not limited to, changes due to sales or other promotions, to ensure compliance with item "e)" above;
 - k) The vendor shall never demand that WIC participants purchase the full amount of WIC foods authorized on the eWIC shopping list;
 - l) The vendor shall allow WIC participants to purchase up to the full amount of WIC authorized foods specified on the eWIC shopping list;
 - m) The vendor shall never limit WIC participants in their choices of WIC approved foods (e.g., never require purchase of a particular store brand);
 - n) The vendor shall never provide credit, rain checks, due bills or other similar receipts for WIC approved foods not obtained at the time of the transaction.
 - o) The vendor shall never allow the return of food purchased with an eWIC card in exchange for cash or credit, or "rain check."
 - p) The vendor shall not provide refunds or exchanges for approved WIC foods obtained with WIC benefits, except for exchanges of an identical approved food item (defined as the exact same brand and size supplemental food item originally obtained and returned by the participant) when the original approved food item is defective, spoiled, or exceeded its sell/use date. An identical WIC approved food item is defined as the exact brand, type and size and UPC code (if available) of the original WIC approved supplemental food item

obtained and returned by the participant (e.g., a one gallon container of X brand of whole milk that was spoiled at time of purchase for an identical one gallon container of X brand of whole milk).

4. Ensure that WIC approved foods are not spoiled, expired or outdated and are sold to WIC participants before the expiration date for those foods.
5. Offer WIC participants the same courtesies offered other customers, including allowing the use of store bonus or savings cards, manufacturer and store savings coupons, and in store promotions such as “buy one, get one free”
6. Ensure that all incentives (such as free merchandise) offered to WIC participants to redeem their WIC benefits at a specific store are also offered to all other customers.
 - a) Vendors are not allowed to offer ANY incentives for the purpose of attracting WIC participants only. Incentives offered to WIC participants must be the same as offered to all customers.
 - b) Vendors are strictly prohibited from offering cash, alcohol, tobacco or lottery tickets to WIC participants as an incentive, even if these items are being offered to non-WIC customers.
7. Provide approved WIC foods at the current shelf price or at less than the current shelf price charged to other customers;
8. Deduct the value of manufacturer or store coupons presented by participants, parents or caretakers of infant and child participants, or proxies, from the purchase amount charged to the WIC Program;
9. Not charge participants, parents or caretakers of infant and child participants, or proxies, for approved WIC foods obtained with WIC benefits nor for foods not received by a WIC participant, nor charge sales tax on WIC purchases;
10. Not seek restitution from participants, parents or caretakers of infant and child participants, or proxies for charges not paid or partially paid by the State Agency;
11. The vendor shall not discriminate against program participants, parents or caretakers of infant or child participants, and proxies, based on age, race, color, national origin, age, sex, or disability;
12. Not breach WIC Program participant confidentiality;
13. Comply with Payment Card Industry (PCI) standards for confidentiality and security;
14. Notify the State Agency in writing at least 3 weeks before a change of location, name, address, management, corporate officers and majority stockholders;
15. Notify the State Agency in writing immediately of any change of ownership or store closure.

Prohibited practices

13. Never buy or sell WIC food benefits or eWIC cards for cash (trafficking);
14. Never allow the sale of non-food items, alcohol, alcoholic beverages or tobacco products in exchange for WIC food benefits;
15. Never allow the sale of firearms, ammunition, explosives or controlled substances as defined in 21 U.S.C. 802 in exchange for WIC food benefits;

Files, signs and recordkeeping

16. Clearly indicate the retail price of all WIC-approved food items, either individually on each item or at the shelf or point of display;

17. Display a sign, sticker, or other evidence of authorization as a WIC vendor, furnished by the WIC program, in an area visible to WIC participants;
18. Not use shelf tags or other promotional material with the WIC acronym or logo without prior written approval of the State Agency except for those supplied by the State Agency;
19. Make the current list of approved WIC foods readily accessible to all cashiers;
20. Maintain for a period of three years and provided access to paper or electronic records used for state or federal tax reporting purposes and other Program records including: inventory records showing all purchases, wholesale and retail, in the form of invoices that identify the quantity and prices of approved WIC foods, books of account, and shelf price records;
21. Allow authorized personnel to audit the vendor's inventory, and accept on-site monitoring including providing WIC representatives access to all program-related records ;
22. Accept training on WIC program procedures at least annually. Annual vendor training may be provided by the State Agency in a variety of formats, including newsletters, videos, and interactive training. Chain store vendors may send a headquarters representative to training and provide required training to each authorized outlet in lieu of requiring representatives of each outlet to participate in State Agency training sessions;
23. Vendors will inform, train and update cashiers and other staff on WIC Program requirements and ensure that all cashiers and other staff are knowledgeable regarding procedures set forth in the most recent publication of the WIC Program Vendor Handbook and WIC eWIC Manual.

3. THE STATE AGENCY AGREES TO:

1. Provide the vendor with the most recent WIC Vendor Handbook and WIC eWIC Manual.
2. Ensure that WIC participants are informed of the proper redemption procedures for WIC food benefits.
3. Advise participants of the location or locations of the store or stores that the Vendor has been authorized to operate under this Agreement;
4. Provide the Vendor with notice of changes to federal, state statutes, regulations, and policies and procedures governing the WIC Program at the time they are implemented by the State Agency;
5. Use current selection criteria to determine authorization of Vendors and to determine the type of Vendor Agreement to be issued for the next agreement period;
6. Provide the Vendor with an opportunity to justify or correct a redemption error;
7. Disqualify a Vendor for violations in accordance with federal, state statutes, regulations, and policies and procedures governing the WIC Program;
8. Provide the applicable administrative review procedures along with an adverse action subject to administrative review;
9. Provide, upon a Vendor's request, federal, state statutes, regulations, and policies and procedures governing the WIC Program, and the State Agency's administrative review procedures;
10. Provide annual training to at least one representative of each vendor as well as training upon a Vendor's request and, at least once every three years, interactive WIC Program training. The State agency will have sole discretion to designate the date, time, and location of all interactive training, except that the State agency will provide the vendor with at least one alternative date on which to attend such training.

11. Monitor the vendor for possible violations of Federal and State laws and WIC program rules, regulations and procedures. Monitoring includes, but is not limited to, routine monitoring visits, undercover compliance buys and inventory audits.
12. Notify a vendor in writing when an investigation reveals an initial incidence of a violation for which a pattern of incidences must be established in order to impose a sanction, before another such incidence is documented, unless the State agency determines, in its discretion, on a case-by-case basis, that notifying the vendor would compromise an investigation.
13. Make payments to the vendor as expeditiously as possible.
14. Establish and apply limits on the amount of reimbursement allowed for foods based on a vendor's peer group and competitive price criteria. The State agency may make price adjustments to the purchase price on eWIC redemptions submitted by the vendor for redemption to ensure compliance with the allowable reimbursement level applicable to the vendor

See Appendix A for the WIC Program Sanction Policy that lists all violations and sanctions and contains the policies for notices and appeals.

See Appendix B for the WIC Program Selection Policy that lists vendor selection criteria. Vendors must adhere to all selection criteria throughout their agreement period.

See Appendix C for the locations of stores authorized by this agreement. Only stores specifically listed in Appendix C are authorized to process eWIC benefits.

Appendix A

Violations and Sanctions

Appendix B

Selection Criteria for WIC Retail Vendors

Appendix C

Store Locations Authorized by This Agreement